



SANTA BARBARA TROLLEY COMPANY
VEHICLE LEASE AGREEMENT

MADE THIS _ DAY OF _____ BY AND BETWEEN WHEEL FUN RENTALS OF SANTA BARBARA DBA SANTA BARBARA TROLLEY COMPANY, 23 EAST CABRILLO BLVD., SANTA BARBARA, CA 93101 ("Lessor"), AND -- _____ ("Lessee").

1. **EQUIPMENT:** Lessor hereby leases to Lessee the following vehicle(s), in accordance with the terms and conditions of this Agreement:

Trolley #3, 2003 Cable Car, VIN# 3FCMF53S0XJA36192
Trolley #5, 2000 Cable Car, VIN# 1FCNF53S720A01602

2. **TERM:** This Lease shall commence _____ and shall _____.

3. **LEASE RATES and Deposit:** Lessee shall pay Lessor the sum of forty five hundred (\$4500.00) per month, per trolley. Payments shall be made directly to Lessor. Payments shall be made in accordance with payment schedule of Santa Barbara Trolley Company Invoice _____. In the event payment is not received in accordance to payment schedule, Lessor shall be paid a late charge equal to five percent (5%) of all amounts past due. Total lease payment for the three-month period is Fifty Four Thousand dollars \$54000.00.

\$5000.00 Deposit is required for Physical Damage, will be returned 7 days after trolleys received and inspected in Santa Barbara.

4. **DELIVERY AND TRANSPORTATION:** Lessor or its agents shall deliver subject vehicle(s) to Lessee's location. Upon the expiration of the Lease, the vehicle(s) will be picked up by Lessor within seven (7) days of Lease expiration. Cost for delivery and pick up of vehicle(s) will be \$900.00 per vehicle. Separate invoice to be sent for delivery and pick up of vehicle(s) by Lessor. Delivery will be between _____ and pickup between _____.
5. **WARRANTY AND EXCLUSION OF WARRANTY:** The only warranty (other than a warranty of description of the vehicle(s) and a warranty against interference with Lessee under the Lease) covering the vehicle(s) is any standard manufacturer's express warranty. Lessor agrees that Lessee may receive, to the extent of Lessee's interest under this Lease, the benefit of any manufacturer's express warranty that cover the vehicle(s). Lessee must abide by the restrictions and limitations of duration and remedy of any such warranty.

LESSOR IS NOT OFFERING ANY EXPRESSED OR IMPLIED WARRANTIES WITH RESPECT TO THE VEHICLE(S). In particular, Lessor makes no implied warranty of mechanical ability and there is no warranty that the vehicle(s) will be fit for a particular purpose.

6. **RISK OF LOSS AND INSURANCE:** Lessee will assume risk when the trolleys are received at _____ and continue to bear risk until the Trolleys are picked up at _____. Prior to taking possession of the vehicle(s), Lessee shall instruct its

Lessee Initials: _____ Lessor Initials: _____

insurance carrier to provide Lessor with an ACORD Certificate of Liability Insurance evidencing the following coverage's:

Commercial Automobile Liability (Bodily Injury and Property Damage)	\$5,000,000.00 (Five million dollars)
Physical Damage (Stated Value) Collision and Comprehensive	\$90,000.00 (Ninety thousand dollars) on each vehicle

The certificate of liability insurance shall name the Lessor as an "Additionally Insured" and also "Loss Payee" to read as:

Wheel Fun Rentals of Santa Barbara Inc. dba Santa Barbara Trolley.
23 EAST CABRILLO BLVD.
SANTA BARBARA, CA 93101

- 7. MAINTENANCE, REPAIRS AND OPERATING EXPENSES:** Lessee agrees to maintain and repair the vehicle(s), to keep it/them in good working order and condition and further agrees to pay for or cover all maintenance, repair and operating expenses. Lessee shall perform DAILY fluid checks and DOT inspections of the vehicle(s). If Lessee does not maintain or repair the vehicle(s) or pay all operating expenses as this Lease requires, Lessor may do so and add the cost to Lessee's obligation under this Lease. Lessee shall also be responsible for any "Excess Wear", as defined herein. All such amounts due under this paragraph shall be payable upon demand.

**Lessee shall inspect all vehicles 45 days after date of arrival as mandated by the Department of California Highway Patrol. Lessor will provide appropriate form for inspection **

- 8. EXCESS WEAR DEFINED:** Lessor warrants to Lessee, that upon possession of the vehicle(s) by Lessee, *all tires shall have 75% or more tread wear certified by a reputable Santa Barbara tire company, new brake pads, transmission serviced (by independent transmission company) and oil change within 30 days.* For the purposes of the Lease, "Excess Wear" includes: (a) any tire with less than 35% of tread depth remaining at the shallowest point; (b) any tire that does not match other tires on the same axle; (c) any front tire that is a recap; (d) any rear tire that is not of the size recommended by the vehicle manufacturer; (e) damaged or rusted sheet metal or doors if the repair cost exceeds two hundred fifty dollars (\$250.00); (f) *structural damage to body attached to or made a part of the vehicle (pictures of all trolleys will be included at the time of delivery)*; (g) cracked, shattered, or broken glass; (h) an engine, transmission, or power train that does not function properly, taking into account its age and usage (major repairs will be prorated based upon a 400,000 mile life); (i) cracked or patched block or cylinder heads; (j) excessive oil leaks or oil pressure that does not meet the manufacturer's specification for a vehicle of comparable age and usage; (k) cracked gear train housing; (l) slipping or grabbing clutch; (m) cracked frames or cross members; (n) cracked brake drums (other than surface cracks) or brake linings that do not meet ICC safety standards; (o) springs with broken leaves; (p) batteries with dead cells or cracked cases or that are unsound by industry standards; (q) wiring, instruments, and the like that are not in good working condition; (r) damage or other condition that makes the vehicle unsafe or unlawful to operate or would cause the vehicle to fail DOT safety inspection tests in the State where titled; and (s) any other damage whether or not covered by insurance.

Upon delivery, the trolleys shall be inspected by the _____ (Lessee) mechanics. If any items are found to be in unacceptable or marginal condition the Lessor shall be notified within fifteen (15) business days for authorization of repair.

Lessee Initials: _____ Lessor Initials: _____

To the extent there is no excess wear as defined above, and absence negligence on the part of the Lessee, engine, transmission, and rear-end repairs or replacements of compressor in door will be shared 50%/50% cost of parts and labor by both the Lessee and Lessor.

- 9. PROHIBITION OF TRANSFER OF LESSEE'S INTEREST:** Lessee shall not sublease, rent, assign, grant a security interest in or otherwise transfer its interest under this Lease in a way that affects its possession or use of the vehicle(s) or any other right in the vehicle(s). Lessee will not attempt to transfer any other right or interest under this Lease or in the vehicle(s). Lessor, upon request, may give prior written consent to a transfer.
- 10. INDEMNIFICATION:** Lessee will protect Lessor and its agents from all losses, damages, injuries, claims, demands, and expenses arising out of the use or operation of the vehicles(s). Lessee agrees to indemnify, defend and hold harmless Lessor, its officers, directors, shareholders, employees, agents, successors and assigns from all such losses, damages, injuries, claim demands, expenses and attorney fees.
- 11. DEFAULT:** In the event of a default by Lessee under the terms of this Lease, Lessor shall be entitled to collect from Lessee all costs associated with obtaining possession of the vehicle(s), all outstanding amounts due under the terms of this Lease and attorney's fees and collection costs equal to twenty percent (20%) of all amounts owed hereunder.
- 12. GOVERNING LAW:** This agreement shall be governed by and construed in accordance with the laws of the State of California. The parties hereto warrant and represent that the signatories noted below have full power, right and authority to bind legally their respective companies and that any and all cooperate actions necessary to effectuate this Lease Agreement have been properly and officially undertaken and completed prior to execution of this Agreement.

IN WITNESS HEREOF, the parties hereto have executed this Lease on the ____ day of _____, 20 ____.

ATTEST:

Witness

LESSOR:

Santa Barbara Trolley Company

By: Teddi Drew

Title: Vice President

Signed: _____

ATTEST:

Witness

LESSEE:

By: _____

Title: _____

Signed: _____

Lessee Initials: _____ Lessor Initials: _____